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The PACE STUDENT

Vol. V

New York, July, 1920

No. 8



ANY men and women—especially those who seek advancement—at one time or another in their lives have occasion to take written examinations as at least a partial test of their knowledge and their fitness to receive the credentials of attainment which they desire.

The above is so generally true that illustrations abound. For example, there are Regents examinations, Civil-Service examinations, C.P.A. examinations, technical examinations of various kinds, school tests, and examinations that accompany every worth-while course of study. These or similar examinations engage the concentrated attention of thousands of men and women every year.

Such being the case, a short article on "How to Answer Written Examinations," whatever the subject, will probably be of interest and value to many readers of The Pace Student.

First, the examination paper should be carefully read over at least twice before any attempt at answering it is made. It is highly important that the questions be thoroughly understood, and that what is asked for, and only that, should be given. Many students get low marks in written examinations because of a hasty reading, which often means a misreading, of the questions.

Second, most written examinations are conducted on a time limit; under such circumstances, it is wise to make a preliminary estimate of the amount of time that should be allowed for the answering of each question. Adherence to this suggestion will often secure a passing grade, even when there may be some doubt as to the completeness and accuracy of the

individual student's knowledge of the subject.

Third, the rules and regulations governing details of procedure should be carefully noted and observed. Generally speaking, it is specified that students shall use paper of a certain size, that they shall use pen and ink, that they shall write on only one side of the paper, that their answers shall follow the same numbering and order as the questions, and that the written pages shall be fastened together before submission. Since these things count, they should be done exactly as requested.

Fourth, neatness is always important. Careless handwriting, free-hand rulings (if rulings are necessary), slovenly erasures, the crossing out of phrases and sentences, and the like, are to be avoided, because, whatever the intrinsic merit of the answer as to completeness and cogency of thought, an unfavorable impression is justly made upon the mind of the reader of the paper. We judge people somewhat by personal appearance; it is natural and proper that we do the same with regard to

a piece of writing.

Fifth, the use of good English is highly desirable. Indeed, one of the chief purposes of any written examination is to test the student in respect to the ability to express himself clearly, correctly, and forcibly. Slang and colloquialisms should be avoided. Simple words and phrases should be given the preference over long words and roundabout expressions. Sentences should, as a general rule, be fairly short—the vogue of the long, limping sentence that neither begins nor ends anywhere in particular is past. Paragraphs, too, should be carefully constructed, with pains taken to make them fairly short. Attention should be paid also to correctness of punctuation—needless to say, a

*How to
Answer
Written
Examinations*

*By
Horatio
N. Drury*

LEADING ARTICLES

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sentence should begin with a capital letter and end with a period.

Sixth, after the answers to the examination are completed, they should be read over very carefully. Often, as a result of this re-reading, it is possible to pick up and correct errors that passed unnoticed during the haste of composition. This is particularly true in reference to incorrect punctuation and misspelled words. Just as a few minutes of reflection before beginning to write produce results, just so is it profitable to spend a few minutes in scrutiny of the answers to the examination paper before submission is made.

The following question (one of five only) was asked recently in an English examination:

"Name and illustrate the four kinds of phrases as to form."

One of the best students in the class answered this question thus:

"Phrases are classified into noun, adjective, and adverb.

"Noun Phrase: *To succeed* in business requires hard work.

"Adjective Phrase: The end of the bay was in sight.

"Adverb Phrase: We tramped through a marshy field."

If the question had read, "Name and illustrate the three kinds of phrases as to use," the preceding answer would have been absolutely correct. Unfortunately for the student, the question read, "four kinds of phrases as to form." A correct answer would have been as follows:

"Phrases are classified as to form into prepositional, infinitive, participial, and gerundial.

"Prepositional Phrase: The beginning of a letter is important.

"Infinitive Phrase: I was requested to call personally.

"Participial Phrase: Having finished the letters, the stenographer went home.

"Gerundial Phrase: Making steel castings is hard work."

Of course, no credit could be given to the student for the answer, though there was no doubt in the examiner's mind as to her knowledge. This was a plain case of misreading the question.

Here is another example. An examination paper in Accounting contained the following:

"State briefly the theory of the Cash-book."

Several students, apparently after hastily reading the question, took "theory" to mean "uses;" whereupon they proceeded to enumerate the uses of the Cash-book and to describe its method of operation.

Of course, what was asked for was something entirely different—the "theory" of the Cash-book. A correct answer would be:

"In theory, the Cash-book is a combined book of original entry and Ledger analysis. Its purpose is to provide a record in which an entry may serve as an original record, and at the same time be classified for Ledger purposes."

In a law examination, the following question was asked:

"Define and illustrate the two kinds of easements."

Several students defined easements correctly, but failed to give any illustrations of them—another case of faulty reading of the question.

The following is an exact quotation of a paragraph from the examination paper of a student who, ordinarily, uses good English:

"A Balance Sheet is a statement of financial position, it gives the proprietors a classified list of all assets owned valued on what they are worth, for what they were acquired—it also gives a classified list of all liabilities owned and a proprietorship for the balance or capital."

The student who wrote the foregoing evidently had his subject-matter fairly well in hand. The trouble with his answer is that he did not read over what he had written before handing in his paper. If he had, he would have picked up several careless errors in spelling and punctuation, and he would probably have improved his sentence structure, thus:

"A Balance Sheet is a statement of financial position. It provides a classified list of all assets owned at a given moment of time, these assets being valued on what they are estimated to be worth for the purposes for which they were acquired. It also gives a classified list of all liabilities owed, and shows the capital, or proprietorship, interest."

Additional illustrations without number might easily be cited, of course; but enough have been given to convince the student, or applicant, whatever the examination that he may be expecting to take, of the desirability of heeding and applying the common-sense suggestions set forth in this article.

Finally, it should be borne in mind that the time to acquire the habit of analyzing text and questions, of using good English, and of preparing neat and precise work is *before* the examination—the mind should be free to act upon the real points of difficulty that are contained in the examination questions. Constant attention to all these matters in ordinary work bears excellent fruit in the gruelling test of the examination.

YOU can tell a good deal about the standing of any profession by noting the caliber of the men and women that it attracts and develops. Measured by this standard, Accountancy, in my opinion, ranks exceedingly high."

These remarks by a well-known leader of business make a fitting introduction to a brief survey of the notable career of Lieutenant-Colonel Harry Coope, a graduate of the Pace Courses when they were given at the Washington Institute of Accountancy. The *Pace Student* takes pride and pleasure in presenting to its readers a few of the outstanding facts in Colonel Coope's business and military career.

Colonel Coope, who is a university graduate and a graduate in law, held responsible positions as an executive accountant with the Treasury Department for many years. In this work, his accounting knowledge and his unusual executive ability enabled him to make an enviable record for broad-visioned efficiency.

In addition to his Treasury duties, he was assistant national treasurer, under the selection of the President, of the American Red Cross for six years. At this time he devised, constructed, and installed a successful system of accounting for that organization. During this period, he was responsible for the handling of many millions of dollars, with the accounts always accurate to a penny, under a Government audit.

Colonel Coope from boyhood has been deeply interested in military matters. It was natural, therefore, that he should have been identified for many years with the National Guard of the District of Columbia. Here, too, his executive ability was noticed, and during the latter years of his service, he acted as Adjutant General of the Guard.

During the disturbance at the Mexican border, in 1916 and 1917, Colonel Coope served as Assistant Adjutant General of the Sixteenth Provisional Division and the Nogales, Arizona, District.

When the World War occurred, Colonel Coope was ready and eager to be sent overseas in the service of his country. His wish was granted, and he soon found himself in France with multifarious duties pressing upon him from all sides. He was Adjutant General of the Twenty-ninth Division; Adjutant General of the Fourth Army Corps; and Adjutant General, General

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Headquarters, American Expeditionary Forces.

He fought through the history-making battles in Alsace, at the Meuse, and in the Argonne, acquitting himself with the gallantry that has come to be associated with the American officers and troops when under fire. His conduct in the Argonne battle brought him advancement from Major to Lieutenant-Colonel.

After the Armistice, Colonel Coope served in the Army of Occupation in Germany, and participated in the march to the Rhine.



*Lieut.-Colonel Harry Coope,
War Department, Washington, D.C.*

He was awarded a citation for exceptionally meritorious and conspicuous service as Adjutant General in France. He is still in the service of the War Department, having been detailed at Washington as an emergency officer.

Colonel Coope has compelled success in every field of activity that he has entered. He has not relied solely upon his natural ability—the mistake made by many young men of more than ordinary endowments. When a mere strippling, he realized the value of study—and he studied in order to in-

crease his development and his usefulness. And he finished every course of study that he began—another point to be remembered by the great host of young men who are good beginners but poor finishers.

Personality, too, has had much to do with Colonel Coope's success. Four-square, fundamentally honest in view-point toward matters ethical as well as commercial, and expecting no more of anybody else than he exacts of himself, he has found it easy to win the respect and the liking of his fellow-men. It is, of course, a truism to remark that this is the age of coöperative endeavor, and that he who takes the individualistic view-point to an excessive degree is riding for trouble and often disaster. Yet this is a mistake that many brilliantly endowed executives make—a mistake, though, that Colonel Coope has never made. His entire career proves that he believes in team-work, that he is a team-worker himself, and never deludes himself otherwise. This is one reason why everything that he has set out to do—no matter how perplexing in character or wide in scope—has always been done, and well done.

Colonel Coope is an enthusiastic believer in Accountancy as a profession, partly because of the experience that he has already had as a practitioner, and partly because of the exceptional opportunities that he has had as an executive and as an officer to appraise the value of the work done by Accountancy-educated men and women. Colonel Coope expects to return to the practice of Accountancy himself, if he is not retained in the Army.

His conviction in this matter finds succinct expression in the following paragraph:

"A knowledge of accounting is now a universal need that is indispensable. There is no subject of which a knowledge is of more service in the present day than accounting. This applies to all classes of persons, no matter what their vocation. One does not have to spend a long time in learning accounting, neither is the subject too intricate for the average mind, but it can be mastered in one's spare time under proper direction and guidance. There is no subject that will bring in a greater return than a knowledge of accounting. I have found the analytical training one receives in a study of accounting to have been of untold benefit to me in everything I have undertaken."

**Who's
Who**

Biographical

**Sketches
of Men of
Affairs**

**Sale of
Good-
will,
and
Agree-
ments
not to
Compete**

**By
Vernon
C. Ryder,
LL.B.**



WHEN a person buys out another's business, he should take care to see that his contract covers everything that he expects to gain by the purchase. Otherwise, he may wake up some morning to find his vendor established next door to him, again carrying on the identical business that he supposed he had bought out, and himself powerless to prevent this invasion of the rights he had supposed his contract to assure him. It will therefore be profitable to consider a few of the cases that have been decided on this point, that the misfortunes and negligences of others may serve as a guide to prevent one from being similarly led astray. Particular point will be made of the extent to which the inclusion of the word "good-will," in the contract of sale, will act as a protection against a vendor's subsequent competition.

Previous to February 10, 1909, Von Bremen, MacMonnies, and Von Elm had been partners, under the firm name of Von Bremen, MacMonnies & Co., engaged in the transaction of an importing and commission business in buying, taking on commission, and selling all sorts of fancy groceries. On that day, the defendants (MacMonnies and Von Elm) sold out to the plaintiff—Von Bremen. The wording by which this agreement was attempted to be effected was as follows: "all their right, title, and interest in all the assets, good-will, trade-marks, and other property of every name and nature, wheresoever located, of the firm of Von Bremen, MacMonnies & Co., together with all debts and things in action due or owing by or from any person or corporation to said firm."

At first reading, this phraseology might appear, at least to the business man, sufficiently comprehensive. But, in a short time, the purchasing partner learned that the defendants had formed a new partnership, in the name of MacMonnies & Von Elm, for the transaction of a similar business in fancy groceries, and were prosecuting it in a way such as he conceived to impair the good-will he supposed he had bought intact. He thereupon sought legal advice as to his rights under the contract. He was advised that there was no way in which he could restrain the defendants from engaging in that business. He may have thought that, in purchasing the good-will of the former partnership, he thereby was securing himself against future competition in the same line from his former partners.

But such is not the law. This result *could* have been accomplished, subject to certain limitations, if it had been specifically mentioned and included in the contract; but the mere sale by a person of his business, including the good-will, imposes no restraint upon him against re-

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engaging in another business, even though it be of exactly the same kind as that which he sold. It is therefore important to you to make sure that your contract states fully and clearly exactly what your agreement is in this respect.

It will be well, however, to reverse the standpoint, to put the reader this time in the position of a *seller* of the good-will of his business, and see just how much he is parting with in the execution of such a contract.

Von Bremen, although he could not restrain the defendants from engaging in their new business, was advised to seek the following relief:

(1) To apply for an injunction against the defendants, restraining them from soliciting the trade of the customers and the persons, firms, and corporations who purchased merchandise from the old firm of Von Bremen, MacMonnies & Co., of which the plaintiff (Von Bremen) and the defendants were copartners.

(2) To apply for an injunction against the defendants, restraining them from dealing with, or selling merchandise to, the customers and the persons, firms, and corporations who had purchased merchandise from the old firm of Von Bremen, MacMonnies & Co., while it was still in existence.

The court held that he was entitled to the first relief asked for, but not to the second. In brief, then, the person who sells the good-will of his business may subsequently reestablish himself in the same business, in the same locality, and need not refuse to sell goods to former customers of the business which he sold, provided they came unsolicited to his store; but he may not try to lure them away from the old place, or in any way solicit their patronage to his new business. The court said, "It is true that those who were former customers of the firm to which he belonged may of their own accord transfer their custom to him; but this incidental advantage is unavoidable, and does not result from any act of his. . . . But when he specially and directly appeals to those who were customers of the previous firm, he seeks to take advantage of the connection previously formed by his old firm, and of the knowledge of that connection which he has previously acquired, to take that which constitutes the good-will away from the persons to whom it has been sold and to restore it to himself."

It is to be noted that we are speaking here only of the *voluntary* sale of the good-will of a firm. If the sale should be by operation of law, as in bankruptcy proceedings, or in the liquidation of a partnership by lapse of time, a different result would follow—and the former owner would remain "under no legal obligation restricting competition on his part in the slightest degree."

**Sale of
Good-will,
and
Agree-
ments
not to
Compete**

(Continued)

And it is to be noted further, that the above rule is not of uniform application in all the states. For example, Michigan and Connecticut would seem to permit to the seller almost unrestricted solicitation to his new business of the customers of the former business. *Von Bremen vs. MacMonnies* is the New York rule. This rule is followed also in Massachusetts, New Jersey, Rhode Island, Illinois, Pennsylvania, and probably a majority of states.

The majority doctrine is further illustrated by a case in the Federal courts. George K. McGaw was successfully conducting a retail cigar business, under the name of George K. McGaw & Co. He sold the business to the Acker, Merrall & Condit Co., together with the good-will and the firm name of George W. McGaw & Co. He also agreed to serve Acker, Merrall & Condit Co. for three years at an agreed salary, to devote his entire time to their business, and to use his best efforts to induce his former employees to remain. Subsequently, and within the three years, he left them, together with Messrs. Hopper and Warden, two of the employees, and started a new retail cigar business under the firm name of Hopper, McGaw & Co. Acker, Merrall & Condit Co. sought relief against McGaw by injunction proceedings. The court rendered judgment enjoining all the firm of Hopper, McGaw & Co. and their agents, employees, and servants, from soliciting the customers of the Acker, Merrall & Condit Co. to deal with the new firm. It also restrained the new firm from in any way making use of the name of George K. McGaw & Co. in the new business. But it refused an injunction restraining the present firm from using the name of Hopper, McGaw & Co. This refusal, however, is not to be taken as too broad an indication of how a court would rule in similar cases. The general rule is that the new name must not be such, or used in such a way, as would tend to deceive the public into believing that it was the same business as that of the old firm.

And we now pass to the case where the vendor, or the retiring partner, not only disposes of his interest in the good-will of the business, but also by express stipulation contracts that he will not compete with the business of his vendee. We must notice, first of all, that such an agreement is in restraint of trade, and the courts hold that it must be reasonably restricted and qualified in order to be valid. A man may bind himself not to engage in a certain business for an unlimited time, provided it is restricted as to place. Or he may bind himself not to engage in that business anywhere, provided the agreement is reasonably limited as to time. But where the stipulation is unqualified, both as to time and to place, it will be pronounced to be an agreement in unreasonable restraint of trade,

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and therefore void. A few illustrations will bring out the point more plainly.

In the following cases, the agreements were held to be valid and enforceable: (1) An agreement not to carry on a grocery business in a particular town; (2) an agreement not to trade in agricultural implements in a certain town and vicinity; (3) an agreement not to engage in a particular business within sixty miles of a given place. But the contract of a dentist not to practice over a district one hundred miles in diameter was held to be unreasonable and void, on the ground that it was more than was necessary for the protection of the purchaser.

Hence, it will be seen that the court will be guided in its ruling by the peculiar circumstances of each particular case, and that no man in advance of the court's decision can fix the limit to which he may extend the application of his restriction. If the business be national or international, instead of local, in scope, then a much wider field of non-competition would be tolerated; as, for example, not to engage in the business of manufacturing, or installing, automatic sprinklers in any part of the United States. It is obvious that there would be no necessity for a retiring lawyer thus to restrict himself for the protection of his covenantee, and that any such attempt on his part would be declared unreasonable and of no effect.

One thing more should be said here, and this in the nature of a warning to one who contemplates "selling out." If the agreement not to compete, or not to engage in a certain business, is reasonable, it will be rigidly enforced. In a recent case in New York, the defendant (Appel) had been engaged in the business of manufacturing mica slides. The plaintiff purchased from him his outfit and good-will, and Appel contracted not to engage in a similar business for a period of five years in any state of the United States, except New Mexico. This was in June, 1918. In September, 1919, he entered the employ of the Broadway Slide Co., Inc., which was a competing business. The plaintiff sought an injunction restraining Appel from working for the Broadway Slide Co., Inc. The injunction was granted—the point to be noted here is the holding of the court, "that it can not matter whether he engaged in that business as a principal or as employee; in either case, he is violating his covenant, and under the authorities cited, the court will enjoin such violation."

Every man can write his own price-tag, provided he can offer services commensurate with its figures.

A career has nothing ready-made in its fabric and fit—it is always made-to-order. The kind of career you cut out for yourself will depend upon the size and contents of your mental pocketbook.



HIS Department does not publish answers to all of the questions received, but only to those which we deem to be of general interest to our readers. A communication, in order to receive attention, must contain the name and the address of the person asking the question.

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cause of your confusion. As a matter of fact, there is but one true reserve, the reserve out of profits. This involves a reservation, or hold-

ing back from distribution, of a certain portion of the net profits, *after* the profits have been determined. The other so-called "reserves" could better be termed "provision for depreciation," "provision for bad debts," etc. These "reserves" are brought into being by a debit to Profit and Loss and a credit to the "reserve." The entries are made in order that the profits and certain assets may be stated conservatively and the true value of certain assets stated. The amounts thus charged are therefore factors in the determination of profit, and find their way into the Profit and Loss Account *before* net profit is determined. A reserve for bad debts or for depreciation, therefore, measures a nominal (loss) element on the left side of the accounts, while a real reserve measures a real (asset) element.

Q **A** CORPORATION is organized with a capital stock of 10,000 shares, no par value. The entire authorization is issued for the net assets of another corporation, taken over at \$800,000. Subsequently, 2,000 shares are donated for working capital. Would you advise taking the treasury stock and donations into the accounts on the basis of the amount at which the stock was originally sold, or making a memorandum entry, simply to reduce the amount of the outstanding shares?

A The first method is to be preferred, entry being passed:

TREASURY STOCK	\$160,000
To DONATION OF TREASURY	
STOCK	\$160,000

For stock donation, 2,000 shares.

Such procedure would be followed if the stock had a par value, and there seems to be no reason for adopting other methods because the stock has no par value. By debiting Treasury Stock and crediting Donations for \$160,000 (that is, 2,000 shares at 80), \$160,000 of treasury stock may be deducted from the amount of capital stock to determine the outstanding stock. On the Balance Sheet, the number of shares actually outstanding would be shown—in this case, 8,000. This arrangement makes it possible to know what the stock originally sold for.

The memorandum entry method, on the other hand, would have the effect of increasing the original recorded value of the outstanding shares, since the 6,000 shares would be shown to have a value of \$800,000. This amounts to carrying the Donation Account in the Capital Stock Account—not as desirable a procedure as where the donated stock is left on the books to be valued in accordance with the results of the sale of treasury stock.

Q **K**INDLY explain to me what a "reserve out of profits" is. So far as I can see, all reserves are reserves out of profit.

A The somewhat loose manner in which the term "reserve" is employed is doubtless the

Q **M**AY the terms "Condensed Balance Sheet" and "Consolidated Balance Sheet" be used interchangeably?

A By no means. The Condensed Balance Sheet is a balance sheet which presents summary rather than detailed facts. There may be degrees of condensations, depending upon the amount of specific information required and the possibility of condensing without distorting facts. The purpose for which the balance sheet is to be used will be a controlling factor in settling this question.

The Consolidated Balance Sheet, on the other hand, applies only to the balance sheet of a parent company and subsidiaries or affiliated companies, involving a merger of the assets and liabilities of controlled companies in the balance sheet of the parent company.

Q **M**Y employer was recently discussing with our auditor the matter of preparing monthly statements, the inventory to be determined on a percentage basis. The auditor expressed himself as not in favor of such a procedure. Am I to infer from this that monthly statements are not practical?

A There is always this difficulty about monthly statements prepared on the percentage basis—namely, that, if prices are fluctuating, it may be difficult to strike the proper percentage basis upon which to work. For example, suppose a commodity costing \$10.00 a unit has been selling for \$12.00. Cost of sales on this basis would be 10/12, or 83 per cent. If that percentage is

Question constant, reliance may be placed
and upon it. But suppose prices are
Answer not stable; that, over the period,
Depart- goods purchased at \$10.00 sold at
ment \$12.00, \$11.50, \$11.00, and \$10.50, etc.

(Continued)

Evidently the 83 per cent. would not represent the true cost of sales. In our case, cost of sales would be constantly increasing. The case is not hopeless, though, for recourse may be had to any of the following methods:

1. The maintaining of a perpetual inventory.
2. The maintaining of a cost of sales record.
3. The taking of a physical inventory.

The first or second method would probably be found the most practical in the majority of cases.

Q **W**E recently sold a bill of goods to a customer, paying the freight and adding the exact amount of the freight to the customer's bill. The customer, in settling under discount, based the discount upon the total amount of the bill, including freight. We wish to adopt an organization policy with respect to the taking of discounts, and believe that our customers should be entitled to deduct discount only on the merchandise item. Will you please advise us whether our position is justifiable?

A Apparently, you bill the customer for merchandise, then, as a convenience to the customer, pay the freight and add the amount to the amount of your own bill. Under the circumstances, you are justified, it seems to us, in your stand that the customer should be allowed to deduct discount only from the merchandise portion of the invoice. You are paying out the same amount of freight that you bill to the customer, for his convenience, are making no profit on the transaction, and should stand no loss.

Q **A** CORPORATION has paid no dividends on its preferred stock for the past four years. The preferred stock contains a clause to the effect that dividends shall be cumulative. Should the liability for these dividends be set up on the Balance Sheet?

A It is not clear whether the dividends have been declared or not. Dividends to stockholders become a liability of the corporation only after they have been declared by the board of directors. In the instance cited by you, if the board of directors had declared dividends on the cumulative preferred stock, and if the dividends so declared had not been paid, the amount thereof should show on the Balance Sheet as a liability under some such heading as "Dividends Payable."

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If the dividends have not been declared by the board of directors, they are not a liability of the corporation, even though the preferred

stock may have a clause with respect to cumulative dividends. The preferred feature with respect to dividends, ordinarily, merely means that the preferred stockholders will receive a certain amount of dividends before any dividends are declared upon the common stock. Its effect, therefore, is merely to protect the rights of the preferred stockholders. If the board of directors declared no dividends, the effect of the cumulative feature is that in case there should be any profits available in the future for distribution, the preferred stockholders would receive dividends for prior years before the common stockholders receive any dividends even for the current year. The condition with respect to the non-declaration of dividends on the cumulative preferred stock could be shown by a footnote on the Balance Sheet for the information of the stockholders, and, if the statement is to be published, for the information of the public.

I **HAVE** noticed that on some Balance **Q**
Sheets the Capital Account is built up by stating the capital at the beginning of the period, profits, withdrawals, and the balance at the end of the period, as follows:

JOHN DOE, CAPITAL:

Balance, January 1, 19.....	\$10,000.00
Profits for Year	5,000.00

Total	15,000.00
Less: Withdrawals	3,000.00

Balance, December 31, 19.....	<u>\$12,000.00</u>
-------------------------------	--------------------

On other Balance Sheets, I have noted that the \$12,000.00 figure only would appear. Please tell me which method of presentation is preferable.

A The Balance Sheet is a Statement of Financial Condition, disclosing at a particular moment the assets, properly classified, the liabilities, properly classified, and the resultant capital. It is satisfactory to show the capital in one figure. However, some accountants prefer to make a summarization with respect to the opening balance, profits, withdrawals, and closing balance, in order to furnish a convenient reconciliation of the current Capital Account balance with the Capital Account balance shown on the previous Balance Sheet.

It is a matter of personal preference rather than one of theory or technique.

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Editorial



The Beginning

HE beginning—an important word! How do you begin the day—grouchily or cheerfully? How do you begin your letters—in stereotyped vein or conversationally? How do you begin a new friendship—impersonally or cordially? How do you begin to secure the respect of your co-workers—dictatorially or sympathetically? How do you begin to lay the foundation for advancement—by thinking first of yourself or of your firm's interests? How do you begin to get happiness out of life—by enjoying simple pleasures that are obtainable or by yearning for artificial pleasures you can't have? How do you begin to accumulate a competence for old age—by systematic saving or by waiting till your income grows larger? How do you begin—but why go on? It's the kind of beginning you make that partly determines what you will eventually do, have, and be.

Orders Reprinted by Request

ORGANIZATION depends upon orders—order-giving, order-taking, and order-executing. The difference between an army and a mob, between an effective, organized industry and isolated units of production or distribution, is almost entirely a matter of willingness and ability to give, to take, and to execute orders.

The one giving the order should know what he wants done. This knowledge is acquired, first, by a consideration of the various things that can possibly be done, and, secondly, by the selection of the one thing that promises the best result. If the executive is mentally lazy and issues general and indefinite orders, the subordinate must attempt to do the thinking and to exercise the judgment that are properly the work of the executive. The usual result of this lack of precision is loss of time, loss of material,

failure to coordinate tasks, and the incurrence of all the wastes that make the difference between a maximum efficiency and the result with which we are too often satisfied.

The order should be given in understandable terms. The words and terms must be within the comprehension of the persons who are to execute the orders, and to that end they must be stated in language that is clear, concise, and direct. If the orders are given by word of mouth, the words must be spoken slowly enough and enunciated clearly enough to enable their full import to be grasped by the person receiving the order. If the orders are printed or written, there must be, aside from simplicity, an arrangement in respect to paragraphing and display that will enable the person receiving the order to comprehend its meaning with as little mental effort as possible. Even though the executive has clearly in mind the thing to be done, he can nullify the effects of his clear thinking by giving an oral order in an indistinct manner, and a written order in sentences that are jumbled and obscure. In fine, the language, whether spoken or written, must convey to the subordinate's mind the exact thing that is in the mind of the executive.

A reaction should be obtained to avoid misunderstandings. No executive can feel safe in giving an order, either oral or in writing, without obtaining some evidence that the order is understood by the one receiving it. Thus, a man giving an oral order to an errand boy should have the boy repeat the instructions or give evidence in some way that he comprehends them. Many an employee excuses a faulty performance by saying that he did not understand the order. Able executives almost invariably require that the one receiving an order, whether he receives it by word of mouth or by means of a letter, a memorandum, or some other communication, shall give evidence of his exact understanding of the thing to be done.

In view of the foregoing, we can give you no more fundamental lesson in good organization than to urge you to base your executive orders upon three things—a knowledge of exactly what you want done, a direct and simple statement to the person who is to do it, and an immediate reaction to determine an understanding with the subordinate of the thing to be accomplished. If you will consciously carry yourself through these processes for a time, you will soon follow them out unconsciously as a matter of habit and become that exceptional and high-salaried man whom we know in Modern Business as the “able executive.”

Annual Dinner of Rider College, Trenton, N. J. **T**HE fourth annual dinner given by the Pace Accountancy Students of Rider College, Trenton, N. J., at the Hotel Sterling, on May 19th, was a thoroughly successful affair.

Long before the hour named upon the program, students, accompanied by their wives and invited friends, began to throng the hotel. The capacity of the dining-room proved to be altogether too small, and the overflow extended to the reception room and the corridors.

Nearly two hundred students and guests sat down to the dinner, every detail of which was carried out most creditably. William Woodhouse, Jr., acted as song leader, to the delight of all present. Miss Ethel Mae Hutchinson and J. Harry Reid sang several selections most acceptably, and were recalled again and again.

The speaking program was a notable one. The main address of the evening was given by Honorable E. C. Stokes, president of the Mechanics National Bank, of Trenton, and former governor of New Jersey. Mr. Stokes, who is famous as an after-dinner speaker, charmed the audience with his address on "The Value of Accountancy," which, because of his personality, his exceptionally wide experience, and his brilliant wit and repartee, was one of unusual power.

John B. Niven, C.P.A., member of the professional Accountancy firm of Touche, Niven & Company, New York, and chairman of the Board of C.P.A. Examiners, of New Jersey, spoke briefly, but with great earnestness and acceptability.

John T. Kennedy, LL.B., of Philadelphia, gave an instructive address on "The Importance of Accountancy in the Business World." Mr. Kennedy, who is a Pace Graduate and a former lecturer at Pace Institute, New York, was formerly a member of the Board of Review of the Income Tax Unit, and is an acknowledged authority on the relation between accounting and taxation. Consequently, his remarks were closely listened to.

Dr. E. G. Lancaster, Pace Institute, New York, then spoke in an inspiring vein on the possibilities of personal growth, and the importance of taking up the proper kind of study during the period of life when the mind is still plastic and the possibility of individual development is the greatest.

One of the most enjoyable features of the program was a humorous talk by David C. Griffith, of Trenton, who kept the entire audi-

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ence in a roar of laughter during the time that he was speaking.

After a few words from the chairman of the Banquet Committee, Benjamin H. Bugbee, the diners, led by Miss Hutchinson, rose and sang "America." Dancing was then enjoyed until the early hours of the morning.

The enthusiasm and success of the banquet reflect great credit upon the officers of the school, and upon the members of the committee who carried the program through to a successful conclusion. President Moore and Vice-President Gill of Rider College deserve the gratitude and congratulations of all who were present.

S. R. SMITH, Semester D, Pace Institute, New York, was recently elected secretary and office manager of the Durham Duplex Razor Company.

D. RUSSELL BREWER, Pace Institute, New York (Extension Division), has been appointed local auditor of the Tela Railroad Company, Tela, Honduras.

HYMAN I. JACOBSON, an alumnus of Pace Institute (Extension Division), New York, recently passed the C.P.A. Examinations of New York state and was granted his professional degree. Mr. Jacobson is a practicing accountant in New York.

ALFRED D. CANTAMESSNER, an alumnus of Pace Institute, New York, was recently awarded the degree of C.P.A. from North Carolina, as a result of passing the examinations set by that state. Mr. Cantamessner is employed as an executive accountant in the Income-Tax Unit, Bureau of Internal Revenue, Washington.

WILLIAM H. COMPTON, C.P.A. (N. J.), has resigned his position as controller of the Monument Pottery Company, Trenton, N. J., and has entered the professional practice of Accountancy, in Trenton, under the firm name of William H. Compton, C.P.A. Mr. Compton's professional success, in view of his wide business experience, is already assured. The reader will find a detailed account of Mr. Compton's business career in the June issue of *The Pace Student*.

THE Association of Army and Navy Stores, Inc., 505 Fifth Avenue, New York, now has a membership of about 28,000 service and ex-service men and women, and has under contract about one thousand two hundred stores handling every conceivable line of merchandise, located in about two hundred cities and towns.

The membership is increasing now at the rate of about three thousand five hundred a month, and approximately one hundred and twenty-five stores a month are being added to those that are co-operating in this work.

There are being sent to members now hundreds of checks daily from the clearing-house of the Association, at 505 Fifth Avenue, New York, bringing to the members all over the country thousands of dollars a week, representing their savings on the purchases of their every day necessities which have been made in the Association's stores.

Among the members are General John J. Pershing, Lieut.-Gen. Robert L. Bullard, over fifty Brigadier or Major Generals, and thirty Rear Admirals.

It is the aim of the Association to have representative stores in every city and town in the United States. These stores are being carefully selected as the ones that will best meet the requirements of the members and their families.

MISS HONORE FOLEY, Pace Institute, Boston, has accepted the position of bookkeeper for the Plymouth Hat Works, Plymouth, Mass.

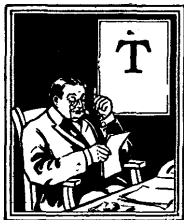
SIMON LOEB, C.P.A., an alumnus of Pace Institute, New York, is engaged in the professional practice of Accountancy in New York, under the firm name of Loeb & Troper, auditors and accountants.

HOWARD E. MURRAY, a graduate of the Buffalo Institute of Accountancy (Pace Courses), recently received the degree of C.P.A. from the state of Indiana. Mr. Murray is connected with Arthur Chandler & Company, public accountants and auditors, Akron, Ohio.

HORATIO N. DRURY recently made informal addresses at the convention of the Eastern Commercial Teachers' Association, Philadelphia, Pa.; at The Travellers' Insurance Company, Hartford, Conn.; and at the annual banquet of the Pace Students' Club of The De Laval Separator Company, Poughkeepsie, N. Y.

Corporation
Book-keeping

By
Paul E. Clark,
Member,
Accounting
Faculty,
Pace
Institute,
New York



HE incorporation of most new business ventures is preceded by a necessary outlay of money, effort, and time. This outlay may be merely the bare legal expenses to secure the charter, or it may consist of rather heavy expenditure for "pioneer" work done by promoters. It is obvious that when engineering firms, bankers, or business executives act as promoters for a new enterprise, they are justly entitled to a fair return for the use of their money, time, and skill.

From the legal view-point, the promoter stands in a limited trust relationship to the corporation. The corporation is not legally bound by his actions and promises, although, individually, the promoter may be held to see that arrangements made by him on behalf of the corporation are carried into effect. Promoters should not make secret profits at the expense of a new corporation. There is, however, no objection to open, legitimate profits. The law happily forbids the incurring of corporate debts prior to actual incorporation. Once legally organized, the corporation may assume contracts and obligations and take over the tangible and intangible property of its promoters. The results of such transactions must necessarily be recorded in the financial records.

It often happens that the books of corporations are opened without the services of professional accountants. A few suggestions are here given that may be of some help to those who are without previous experience in these matters.

The first thing to remember is that the corporate laws must be complied with. In New York state, for instance, the law permits the issue of capital stock for money, property, or services rendered. This provision is merely an acknowledgment on the part of the governing body that stock may be issued for values not represented by tangible assets. Sometimes, these intangible values are more valuable than the tangible property itself. The provision also permits the directors to place the value upon the property acquired or services received.

Let us assume that J. C. Adams, William Brown, and Benjamin Smith, three legally competent persons, desire to form a corporation for the purpose of dealing in hard-

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ware and auto supplies. Adams can put into the business \$500 in cash, store fixtures admitted to be worth \$750, and Accounts Receivable with a book value of \$325. Three of the accounts, totaling \$75, are doubtful.

Brown is prepared to invest \$1,000 in cash. Smith has \$600 in cash to put in, and knows where he can get a favorable lease on a store by paying two months' back rent, amounting to \$100. He also knows an attorney who will handle the incorporation for \$200, including all expenses. The three meet and authorize Smith to get the lease and instruct the attorney to proceed with the incorporation of a \$10,000 corporation. It is agreed that Smith is to secure the lease and pay the incorporation fee out of his own pocket, and take stock in the corporation in settlement for this expenditure. The par value of the shares is to be \$100, and each is to receive twenty shares. The incorporation is effected and the stock is issued. Charles Lotham, Adam's son-in-law, a bookkeeper in a feed and grain store, offers to open the books and act as secretary if they will give him two shares of the stock in payment for his services. His offer is accepted. The proper discharge of his duties in regard to the records will now be considered.

As the proposition stands, the corporation is to issue sixty-two shares of stock of the par value of \$6,200 for the following:

Cash	\$2,100
Fixtures	750
Accounts Receivable ..	\$325
Less: doubtful item.	75
	250
Lease	200
Organization fees	200
Secretary's services	200
Intangible values	2,500
	<u>\$6,200</u>

The above circumstances are not unlike those under which many small corporations begin business. Time after time, professional accountants have been called in to assist in the preparation of tax reports, only to find that stock had been issued on a mere understanding between the parties at interest, the minutes being incomplete, or missing altogether, and the financial records containing nothing but a

record of the trading transactions. It should be clearly understood that no stock should be issued for any purpose without the consent of the board of directors. Such authorization should be fully set forth in resolutions spread upon the minutes. The resolutions needed in this case may be worded as follows:

At a meeting of the board of directors regularly called, and held on the fifth day of April, 1920, the following directors were present:

J. C. Adams
William Brown
Benjamin Smith

Upon motions duly made and seconded, the following resolutions were unanimously adopted:

Resolved, That the officers of this company be and hereby are authorized and directed to issue certificates for sixty-two shares of stock, as follows:

J. C. Adams.....	20 Shares
William Brown	20 Shares
Benjamin Smith	20 Shares
Charles Lotham	2 Shares
Total	<u>62 Shares</u>

Resolved, That the foregoing issue of shares of the capital stock of this company be and hereby is for values received, as under:

Cash	21 Shares
Fixtures	7½ Shares
Accts. Receivable ..	2½ Shares
Lease	2 Shares
Organization Expenses	4 Shares
Good-will	25 Shares
Total	<u>62 Shares</u>

Resolved, That the treasurer be and hereby is authorized and directed to open an account for this company with the First National Bank, of Buxton, and to deposit therein all the funds of the company coming into his possession; such account to be in the name of the company, and funds deposited therein to be withdrawn only by check signed by the treasurer and countersigned by the president.

Resolved, That the secretary be and hereby is directed to open double-entry books of account necessary to carry into effect the foregoing transactions.

There being no further business, the meeting duly adjourned.

(Signed) Charles Lotham,
Secretary.

Attested by:
As soon as possible after the meeting, the bank account should

be opened and the financial books written up.

The following Journal entry would be sufficient:

Buxton, April ..., 1920

The Adams, Brown & Smith corporation, organized under the laws of the state of New York, charter dated; authorized capital stock \$10,000, divided into 100 shares of the par value of \$100 each.

Cash\$2,100

(Deposited in First National Bank, Buxton)

Fixtures 750

(Inventory included)

Accts. Receivable 325

(Schedule included)

Lease 200

Organization Expenses .. 400

Good-will2,500

To Reserve for Doubtful

Accts. Receivable ..\$ 75

" Capital Stock6,200

For assets acquired and stock issued in accordance with resolution of board of directors at meeting held April 5, 1920.

As previously stated, the object of this article is to offer a few suggestions to the lay bookkeeper whose duties involve the opening of a simple set of books for a new corporation.

The facts must first be clearly understood. The authorization for stock issues and the values received for capital stock should be explicitly stated in the minutes. After this has been done, the opening of double-entry books is simply Journalizing an opening statement of condition.

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as rates of depreciation, obsolescence, depletion, etc.

Names of authors and publishers, and date of publication of all references.

Whom It Will Interest. Accountants, lawyers, bankers, merchants, librarians, officers of public-utility companies, Federal, state, and municipal employees.

Every one who has experienced the difficulty of looking through endless files of magazines and library indexes will instantly appreciate the great value of a condensed and authentic compendium of this information.

Publication. When at least one thousand advance subscriptions have been received, the matter will be placed in the printer's hands. Thereafter, the work will be expedited as much as possible.

The first edition will be followed by supplements issued at intervals of two or three years, depending upon the amount of published matter to be indexed.

Style and Price. The first edition will consist of between one thousand and one thousand five hundred pages (7 in. x 10 in.), printed in eight-point type, double column, on high-grade, light-weight paper. The binding will be substantial cloth, strong enough to endure the strain of constant use.

Price to advance subscribers, fifteen dollars a copy.

Members and Associates of the American Institute of Accountants may place advance orders at ten dollars each.

Subscription. It is unnecessary to emphasize the importance of a work of reference such as that above described. It will take its place in libraries as a companion to the four or five other great bibliographies dealing with special classifications of literature. There is nothing now in print covering the field of accounting literature.

J. SCHRATTER, a graduate of New York Institute of Accountancy (Pace Courses) several years ago, is achieving success as a tobacco commission broker, in New York.

HARRY P. WHITNEY, Pace Institute, Boston, has joined the technical staff of Frederick P. Cherrington & Associates, certified public accountants, Boston, as a junior accountant.

MANY large modern business organizations are finding that one way to bridge the economic chasm between employers and employees consists in giving the latter an opportunity to purchase small blocks of stock, preferred or common, in the enterprise with which they are connected in one capacity or another. One of the prominent concerns which comes to mind in this connection is the Firestone Tire and Rubber Company, Akron, Ohio. According to a letter recently made public by President H. D. Firestone, 4,090 shares of seven per cent. preferred stock (409,000 dollars worth) are now owned by employees of the company. Other organizations equally prominent are doing the same thing.

Some of the results of the ownership of stock by employees are, of course, an increased interest in the affairs of "our company," the realization of the necessity and importance of thrift, and a stimulated morale. It is worthy of comment that most of the companies that permit their employees to buy stock and, consequently, to participate in the dividends have had relatively few labor troubles. It may be that we have here at least a partial solution of what we call the "labor question." Make a man a partner, be it to however small a degree, in the profit result of the concern he is working in, and he is much more likely to be satisfied with his work, his surroundings, and his opportunities than he would be if he thought of himself as a mere hired hand. The Firestone plan, therefore, would seem to be a far-sighted expression of economic good sense.

PAUL J. BIERI, Semester E, Pace Institute, New York, has joined the technical staff of Hurdman & Cranston, certified public accountants, New York.

I DIDN'T mind paying my income tax so very much, but I can't help thinking about the nice things I might have bought with the tax if I hadn't been compelled to pay it." A comment by a young business woman in a large down-town office.

MARTIN KORTJOHN, C.P.A., announces the removal of his office from 154 Nassau Street to 15 Park Row, New York City. Mr. Kortjohn, who is a Pace graduate, is the head of a prosperous professional practice.

Employees
as Owners
of Stock

A Femi-
nine
View-
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Account-
ants'
Index

THE following notice will be of interest to students of Accountancy and Business:

Prospectus: Accountants' Index, compiled by the librarian of the American Institute of Accountants.

In response to many requests, the American Institute of Accountants has authorized the publication, in book form, of the bibliographies, indexes, and other records of accounting literature compiled in the library of the Institute, provided a sufficient number of advance orders be received to justify publication.

What It Will Contain. Subject and author reference to all books, pamphlets, etc., in the library of the American Institute of Accountants.

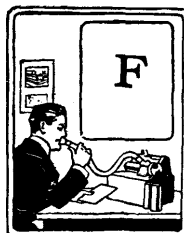
Reference to all literature on accounting subjects in print in 1912 and published since that time.

Summaries of information, such

English Department

Absurdities in Form Letters

By
Horatio
N. Drury



FORM, or circular, letters constitute a useful and a legitimate division of business correspondence—useful and legitimate, that is, when their subject-matter, tone, and manner of expression harmonize with their purpose.

And what is their purpose? It is, of course, to communicate the same message—the same as to subject-matter and wording—to various persons who are members of the same general class in respect to civic status and business or professional interests. Even though this matter of group determination be established with reasonable accuracy—and this is by no means an easy thing to do—there are always personal characteristics to be borne in mind.

It follows, therefore, that there are certain things which form letters, because of their nature, can not be expected to do—certain things against which a note of caution needs to be sounded. The most important warning is that there should be no attempt to make form letters individually personal in appeal.

Do not, for example, try to deceive the addressee by beginning a form letter with "Dear Mr. Blank," when the letter is plainly nothing but a "Dear Sir" letter. The same thing applies to the ending. "Very truly yours" is usually preferable to "Cordially yours," "Sincerely yours," or "Faithfully yours."

Then there is the matter of matching the typing of the name or the salutation with the typing of the letter itself. Half a dozen form letters lie before me, every one of which is faulty in this respect. One begins "My dear Mr. Drury," written in pale-pink ink, while the letter is written in dark-pink ink. The personal appeal, therefore, at once strikes me as funny—as it does, I imagine, everybody else that gets this particular letter. So, either refrain from filling in the name at all—a practice that I personally lean to nowadays, or make sure that this ink-matching business is well done.

Then, there is the matter of content. A form letter is no place for endearing or fulsome phrases which, presumably, are designed to make the recipient feel satisfied with his personal worth. The form letters that I have already referred to contain the following absurd sentences:

"I know the high esteem in which you are held where you live." The fact is that, being a New Yorker, I don't know even my next-door neighbor. So far as my community

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standing is concerned, it is, unfortunately, neutral.

"Your public support of this worthy cause will influence many others to follow your lead." What others? Where? I suppose I should be complimented, but I'm not. The appeal is too transparently insincere.

I might go on indefinitely in this vein—I might cite hundreds of additional examples of these absurdly personal touches. The point is clear—be a bit impersonal in what you put into form letters.

Next, beware of taking too much for granted in respect to what you assume to be facts. Here are some examples:

"You are surely planning to spend your vacation in Maine." No, I'm not. I expect to go to Pennsylvania, and I have already made arrangements to do so.

"It will be to your advantage to sell some of the stocks you already own and invest the proceeds in this wonderful opportunity." Alas, I don't own any stocks! Therefore, I can't sell them.

"Golf is, of course, your favorite form of exercise during the summer months." Is it? How long since? The fact is that I prefer tennis, and that I have never played a game of golf in my life.

It is proper enough, of course, to try to rouse interest in what you have to sell by means of suggestion, but it's always a good plan to base your appeal on facts, rather than on guesswork. If you can't get the facts, present your proposition on the basis of its intrinsic worth, without any attempt at a personal application.

The following form letters proved exceedingly productive—they are worth studying. Note especially the absence of the absurdities referred to in this article:

"Your collection of paintings is known to be one of the finest in the country. It is a collection worthy of being catalogued in such a way that others may enjoy them and know more about them.

"We can perform this service for you, and without the slightest inconvenience to you. The paintings need not leave your gallery.

"In the illustrations, we retain all the beauty and the feeling which the artist wished to convey. The descriptions are written by an expert. The paper and bindings are the best procurable.

"We have made de luxe catalogues for many of the prominent collectors, and we should be proud to add your name to the list.

"If you will appoint a time, we shall take pleasure in having our

representative call on you to show you specimens of our work."

"Have you an A-1 proposition supported by a sales argument that would convince Mr. Anybody, if you could talk to him?"

"Then write it."

"The postman always finds your customer in. 'Too busy,' 'Out of Town,' and 'Call next week' are not said to the mail-carrier.

"You must, to be sure, give your letter a personality. You must dress it up and make it attractive. A poorly written letter, carelessly duplicated and filled-in, is useless—it wastes a postage stamp, for it will go straight to the waste-basket."

"More than 2,000 (2,153 to be exact) business men quickly accepted my special offer, and each has received a free copy of our valuable book, 'How to Lessen Waste Effort.'

"These men are applying the ideas in this Book, and they are making money, because they are saving time. Moreover, they are free to devote their best efforts to the big problems that count most in every business, large or small.

"Without increasing expense and at no extra outlay for labor or equipment, many men are making savings in time they never before thought possible—simply by applying in many different ways the new ideas, plans, and suggestions given in this free book. They are making actual improvements that will mean bigger earnings at the end of the year.

"A very few copies of this Book remain on our shelves. Fill out and mail the special numbered card enclosed, and make sure of getting a copy while the copies last—absolutely free.

"Send no money. Take no risk. Simply place your name on the numbered card and examine a copy of this unusual Book at my own risk and expense."

"The Sterling Monthly is the one magazine which you should not overlook in the preparation of your advertising campaign for next year.

"Under its present management, it has doubled its circulation within the last two years, and, in proportion to its circulation, it reaches more persons interested in the subject of education than any other periodical.

"We are guaranteeing a circulation of 85,000 copies a month in 1919.

"The advertising rate is now 60 cents a line, with liberal discounts for three, six, and twelve insertions.

"We enclose sample sheets of our educational department, together with our new rate-card.

"You will find it to your advantage to send us your advertising copy before August 16th, when the September forms close."

Annual Dinner, Accountants' Institute, New Haven, Conn. THE first annual dinner of the Accountants' Institute, Inc., conducting the Pace Standardized Courses in Accountancy and Business Administration, at New Haven, Connecticut, was held on May 8th, at the Hotel Taft, New Haven. Approximately two hundred men and women, including the students and invited guests, were in attendance.

After an appetizing dinner, an inspiring post-prandial program, as to both music and after-dinner speaking, was carried out. Gilbert J. Weale, director of the Accountants' Institute, acted as toastmaster to the great pleasure of all present. Honorable David E. FitzGerald welcomed the diners in a happy address. Mr. FitzGerald was followed by Dr. E. G. Lancaster, Pace Institute, New York, who spoke most interestingly on "Capitalizing Your Overtime." The last speaker was Charles B. Couchman, C.P.A. (Mo.), Pace Institute, New York, who made a felicitous talk on the "Relation of Accountancy to Business." Much of the good cheer that characterized the banquet was due to the singing under the leadership of Alvin Bruel, and to the music furnished by Roy Ward's Orchestra.

The schools at Bridgeport and Waterbury where the Accountants' Institute also conducts classes in Accountancy were well represented. The committee who had the dinner in charge were as follows: Katherine F. FitzGerald, chairman, George M. Hayes, Dr. Susan S. Sheridan, Vincent R. Kilboy, Harry Hill, Alice E. Begina, Edward J. Mahoney, John G. Gilligan, Fred W. Reif, William D. Kennedy, Evelyn Cohn, Robert M. Boyce, Alice M. Black, Diana Cooperstack, Ruth W. Roath, George W. Childs, Jr., Margaret A. Daley, James Murray, William L. Keating, Emil J. Brechlin, Alvah H. Skinner, Vincent M. Kelley, and Howard W. Baer.

The invited guests of honor were Hon. David E. FitzGerald, Hon. Clifford B. Wilson, Hon. William H. Sandland, Dr. E. G. Lancaster, Charles B. Couchman, C.P.A. (Mo.), John D. Houston, Archibald E. Stebbing, and Mrs. T. S. McDermott.

A. J. MICHEL, an alumnus of Pace Institute, New York, who has been for some time office manager for Marwick, Mitchell & Company, accountants and auditors, has been elected auditor of the Famous Players-Lasky Moving Pictures Corporation.

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A. R. SNYDER, Pace Institute, Boston, has accepted a position as executive accountant with the Victory Lunch Company, Boston.

HERBERT I. LOWE, a Pace graduate, was recently advanced to the position of chief accountant of G. Amsinck & Co., exporters and importers. The Amsinck Company is one of the largest subsidiaries of the American International Corporation.

G. F. STACKHOUSE, JR., a graduate of Pace Institute, New York, and now an executive accountant in charge of the Jersey City Branch of the Metal & Thermit Corporation of New York, was recently granted the degree of C.P.A. by the state of North Carolina.

MRS. E. S. NIELSEN, Semester B, Pace Institute, New York, has resigned her position with the Brooklyn Edison Company, after eleven years' service, in order to become an executive accountant with Baer Brothers, dealers in bronze powders, New York.

THOMAS C. BATES, Semester B, Brooklyn Institute of Accountancy (Pace Courses), has accepted a position as executive accountant with the Beaumont Construction Company, New York. Mr. Bates was connected with the Brooklyn Edison Company for over twenty years.

THOMAS J. HEALY, Pace Institute, New York, recently resigned his position as auditor for the American Constructive Account Company, in order to accept a position as senior accountant on the professional staff of Hurdman & Cranston, certified public accountants, New York.

RONALD WIGGINS, a junior on the public accounting staff of Pace & Pace, New York, was recently cited by the War Department for meritorious service in the war. The citation reads, "Corporal Ronald Wiggins, Company A, One Hundred and Seventh Infantry. For exceptional fearlessness and courage in searching for the wounded under enemy observation and fire. This in the Dickebusch Sector near Mt. Kemmel, Belgium, August 14, 1918."

PATRICK F. CROWLEY, Words of Appreciation C.P.A., a graduate of Pace Institute, Boston, and now a member of the legal firm of Parsons, Wadleigh & Crowley, Boston and Lynn, Mass., in charge of the accounting department, recently, in a letter to Homer S. Pace, expressed his appreciation of the value of his training at Pace Institute as follows:

"How often do I think of my good fortune in obtaining an announcement of your opening of an Institute in Boston, and of my good fortune in embracing the opportunity offered to me to learn the principles of higher Accountancy! The benefits received by me from that course of training are immeasurable. Many times I think of you with a feeling of great gratitude for the great good that has come to me because of my association with your Institute, at Boston, and I am pleased to state that I do not hesitate to pass the good word along, and have told hundreds of young men of the wonderful opportunity that is present for them if they only have the ambition and application necessary to complete your course."

LEO W. HOPKINS, THOMAS HOPKINS, and EUSTIS BUF-FUM, Pace Institute, Boston, have joined the technical staff of W. H. S. Jarvis, C.P.A., Boston, as junior accountants.

MORRIS L. SOBEL, Semester A, Pace Institute, New York, recently died at the home of his parents on Staten Island. Mr. Sobel was a conscientious student and was popular with both the faculty and his classmates. The sympathy of the Institute is extended to his family.

ROGER W. BROWN, LAWRENCE SMITH, ERNEST E. PEARCE, EARL WINGATE, LAWRENCE LOVEJOY, DONALD DICKINSON, and WILLIS JENKINS, all of Pace Institute, Boston, have accepted positions as bookkeepers with the Christian Science Publishing Company, Boston.

ALVIN D. STRANDBERG, a graduate of the Brooklyn Institute of Accountancy (Pace Courses), in 1915, recently passed the Texas C.P.A. Examinations and received his professional degree. Mr. Strandberg has also been elected to membership in the American Institute of Accountants. For some time, Mr. Strandberg has been engaged in the professional practice of Accountancy, chiefly in Texas.

Civil Service Commission Examinations

THE United States Civil Service Commission has sent The Pace Student an announcement of an examination for the position of examiner of accounts under the Interstate Commerce Commission. The Commission states in a letter that it is badly in need of eligibles for these positions as, under the recent law returning the railroads to private control, the accounting work of the Commission is greatly increased. It states that the examination does not require the assembling of the competitors in an examination room, but that applicants are rated on their education, training, experience, and fitness. Full details are given in Civil Service Circular No. 427 (amended), a copy of which may be obtained upon application to the Civil Service Commission, Washington, D. C.

The following is an excerpt from the circular:

"The United States Civil Service Commission announces an open competitive examination for examiner of accounts. Vacancies in the Bureau of Accounts, the Bureau of Valuation, and in the Bureau of Finance, Interstate Commerce Commission, and in positions requiring similar qualifications, will be filled from this examination, unless it is found to be in the interest of the service to fill any vacancy by reinstatement, transfer, or promotion.

"Two general grades of eligibles will be established from this examination, the salaries in the first grade ranging from \$2,520 to \$3,900 a year, with an allowance for expenses when absent from headquarters in the discharge of official duties; and in the second grade, from \$2,100 to \$2,400 a year and such allowances.

"Appointees whose services are satisfactory may be allowed the temporary increase granted by Congress of \$240 per annum in connection with salaries of \$2,500 and less per annum, and proportionate parts of such bonus in connection with salaries above \$2,500 per annum where the aggregate of salary and bonus does not exceed \$2,740 per annum.

"All citizens of the United States who meet the requirements, both men and women, may enter this examination; appointing officers, however, have the legal right to specify the sex desired in requesting certification of eligibles. For these positions in the Interstate Commerce Commission, male eligibles are preferred.

"Appointments to these positions will be principally for duty in the

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field, but it is expected that a number of appointments may be made for duty in Washington, D. C.

"Competitors will not be required to report for examination at any place, but will be rated on the following subjects, which will have the relative weights indicated:

Subjects.	Weights.
1. Education	20
2. Training, experience, and fitness	80
Total	100

"Competitors will be rated upon the sworn statements in their applications and upon corroborative evidence.

"It must be shown in connection with his application that each applicant is a person of good moral character and temperate habits, active, intelligent, and discreet, of good speech and manner, qualified to address and confer with railroad and other officials.

"It is desired to secure eligibles of large accounting experience, with special qualifications for work in examining and analyzing carriers' accounts and reports and in connection with valuation of the property of common carriers, or analyses of their securities. A register of eligibles will be established for each of the following branches of accounting:

- (1) Steam railroads:
 - (a) General accounts.
 - (b) Disbursement accounts.
 - (c) Construction accounts in engineering department.
 - (d) Accounting and statistical work in valuation departments.
 - (e) Freight accounts.
- (2) Electric railroads.
- (3) Steamship service.
- (4) Telephone service.
- (5) Telegraph service by wire or wireless.
- (6) Public accounting practice (as a certified public accountant or in the office of a certified public accountant).
- (7) Banks and trust companies (investment departments).

"Applicants for examination for the Grade I positions must show in their applications that they have had not less than five years' practical experience in responsible accounting positions in the general,

disbursement, or freight accounting departments of steam railroads, or of interurban electric railroads; in accounting for expenditures for important construction projects of common carriers; in accounting and statistical work in valuation departments of steam railroads; in the investment departments of banks or trust companies; in the general accounting offices of large steamship companies; in the accounting offices of large telephone or telegraph companies; in public accounting practice (as certified public accountant or as a senior accountant in the office of a certified public accountant) in the examination of the accounts of important public utilities; in directing the accounting work of the Interstate Commerce Commission, or in directing the accounting work of state commissions engaged in the effectual regulation of the affairs of common carriers or other public utilities; or that they have had five years' combined experience in the several services mentioned.

"Applicants for examination for Grade II positions must have had three years' such experience.

"The degree of certified public accountant, obtained as a result of regular examination in the state conferring the degree, will be accepted in lieu of two of the five or three years' experience required of applicants. Accounting experience of merely routine or non-responsible character, or along commercial lines only, will not be considered as qualifying experience in computing the high-grade practical experience here required for the position of examiner of accounts."

AT the recent Dartmouth Inter-scholastic Track Meet, held in the Alumni Gymnasium, Pace Institute, Boston, secured fourth position out of a field of fourteen schools. William J. Reid, a student at Pace Institute, Boston, secured first place in the shot put, and second place in the discus throw. For these performances, he was awarded a gold and a silver medal.

FRANK H. RAMSDELL, Semester C student at Pace Institute, Boston, recently joined the technical staff of Ward, Fisher, Carpenter & Philbrick, public accountants, Providence, R. I.

WILLIAM E. HARROLD, Pace Institute, Boston, has accepted a position as accountant with the city of Newton, Mass.

The Pace Club

THE PACE CLUB, by this time, scarcely needs to be introduced to the student body. Its aims and purposes and its first social accomplishment—the dance at the Commodore—are already pretty well known.

The big purpose behind the Pace Club is the development of school spirit. In the four thousand Pace Students in the Metropolitan District, there is plenty of individual school spirit, but it needs to be organized. This is the important, though pleasurable, duty of the Pace Club.

With this purpose in view, the officers of the Club, reflecting the sentiment of the students they represent, have divided the activities of the Club into educational, social, and recreational, though the last two purposes overlap considerably.

As respects educational activities, it is planned to have prominent accountants, lawyers, and educators address the Club members from time to time. Plans are also under way whereby special books and printed pamphlets of value will be distributed, subject to the approval of the executives of the Institute. The educational work of the Club will, it is expected, be under full headway early in the fall.

As for the social plans of the Club, dances, boat-rides, picnics, and athletic contests are already under consideration. There is no question about the dances, for one, a highly successful one, was given by the Club at the Commodore Hotel, New York, on Saturday evening, May 22nd. About eighteen hundred people attended—students, graduates, members of the faculty, and friends, with their wives in fact or to be. The music, which was furnished by Shannon's Band of twenty-eight pieces, could not have been excelled.

One of the chief events of the evening was the grand march, which was led by the president of the Club, John H. Bulin, Jr., and his feminine partner. Then, there was a "lucky number" dance, which was won by one of the most popular members of the law faculty, Alfred F. Upson, and his dance partner; they were awarded, much to the gratification of all present, a prize of two five dollar gold pieces. Later, a flashlight picture was taken of the entire assembly.

The success of the Commodore dance has given the officers of the Pace Club courage to plan and carry out many additional social and recreational programs, announce-

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ments of which will be made from time to time in The Pace Student.

In the meantime, if you are not already a member of the Pace Club, become one. Wear the Club pin and do your part toward making the activities of the Club of real benefit to the members of the Club and to Pace Institute.

JOHN J. LEARY, Pace Institute, Boston, has accepted a position with the Motor Sales Company, Boston.

D. J. FARNAN, Semester D, Pace Institute, Boston, has been appointed auditor for A. J. Nutting & Co., clothiers, Brooklyn, N. Y.

ARCHIBALD REVOU, Pace Institute, Boston, has entered the employ of the New England Waist Company, Boston, as a bookkeeper.

CHARLES E. SEAVERNS, Pace Institute, Boston, has accepted a position as demonstrating salesman with the Burroughs Adding Machine Company, Boston.

MOYER & BRIGGS, public accountants, Boston, have opened a branch office in New York City for the general practice of public accounting. Mr. George M. Anderson has been appointed resident manager.

CHARLES B. MOUNT, JR., an alumnus of Pace Institute, New York, recently passed the C.P.A. Examinations set by the state of New York and received his professional degree. Mr. Mount is a senior accountant on the staff of Haskins & Sells.

F. W. DAVIS, Pace Institute, New York, has prepared a little booklet called "Frenzied Figures"—a title which suggests the subject-matter. Mr. Davis will be glad to send a copy to whoever may be interested. His address is 101 Chestnut Street, West Orange, N. J.

ERNEST G. SCHULTZ, Semester B, Pace Institute, New York, has secured a position as junior accountant with S. D. Leidesdorf & Company, certified public accountants, New York. Mr. Schultz was formerly connected with the accounting department of the American Surety Company.

JOHN E. MOORE, Pace Institute, Washington, is treasurer of George F. Muth & Company, one of the oldest mercantile houses in Washington. Mr. Moore has had wide accounting and business experience. For that reason, his comments on the value of the study of Accountancy to credit men are of practical value. Mr. Moore says:

"Active membership in the National Association of Credit Men has been the means by which I have discovered in the profession of credit-granting a wonderful field for the accountant.

"Given a knowledge of accounting, the credit man or woman is more nearly able to render the maximum service to his firm, his debtor, and his fellow credit men.

"The maximum service to his firm is not attainable unless the credit man has the ability to digest, analyze, and construct, or reconstruct, an intelligible statement from the hodge-podge of data, such as agency reports, salesmen's reports, trade references, and reports of like nature.

"The debtor is learning day by day to look more and more to the credit man for advice and counsel in his problems of finance, accounting, and business administration.

"Opportunities for broad, constructive service are continually reaching the credit man. He has many calls for action in concert with his fellow credit grantors in the up-building of credit-granting methods, in the suppression of fraud, and in educational service to the debtor and the student of credit-granting. Knowledge of Accountancy is of incalculable value to the ambitious credit man."

H. HERBERT VACHERON, Semester C, Pace Institute, New York, recently accepted the position of executive accountant for the Single Service Package Company, Yonkers, N. Y. Mr. Vacheron was the very efficient chairman of the Organization Committee of The Pace Club.

FREDERICK W. KELLER, a graduate of Pace Institute, Boston, and a former member of the accounting faculty of the Institute, recently received his C.P.A. certificate from the Massachusetts Board of C.P.A. Examiners.

MILTON BARRY, Pace Institute, Boston, has entered the employ of the H. V. Greene Co., Boston, as an accountant.

Accountancy
Help to
Credit
Men

Can we think our way through Value Problems—can we arrive at satisfactory Wage Scales, at Reasonable Rents, at Equitable Fares, at Fair Taxes, at Proper Prices? Can we, in sum, move ahead on the sure basis of dependable facts, of sound value conclusions?

Pace graduates are everywhere solving value problems, are stating value conclusions, are certifying value facts—more Pace graduates are urgently needed. The world is short of value thinkers, of value analysts.

Day-time and evening courses in Accountancy and Business Administration are given the year round in Pace Institute in New York, Boston, and Washington—courses in which, for three academic years, men and women may develop their power to think, their ability to act, their capacity to earn.

Summer class-lecture groups, strictly limited in size, are now starting, to accommodate men and women who propose to gain immediate understanding and vocational headway. Informative Bulletin will be sent upon request.

Pace & Pace

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